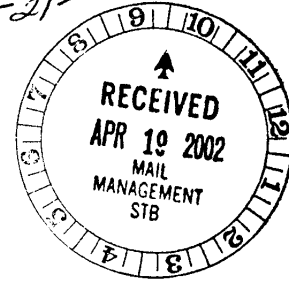


UNION PACIFIC RAILROAD COMPANY  
LAW DEPARTMENT



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Denver, CO 80202  
(303) 964-4575  
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April 18, 2002

**VIA OVERNIGHT COURIER**

Mr. Vernon A. Williams, Secretary  
Surface Transportation Board  
1925 "K" Street N.W.  
Washington, DC 20423-0001

Re: STB Docket No. AB-33 (Sub-No. 145X)  
Union Pacific Railroad Company – Abandonment Exemption –  
In Stanislaus County, California (Tidewater Subdivision Near  
Modesto, California)

Dear Mr. Williams:

We have received a copy of the City of Modesto's request dated April 16, 2002 to extend the trail use condition in this case for an additional 180 days, or to November 3, 2002. Union Pacific is agreeable to the City's request.

The Notice of Exemption in this matter was filed on March 27, 2000, for an exempt abandonment of the Tidewater Subdivision from Milepost 26.43 to Milepost 32.05, a distance of 5.62 miles. By letter dated April 3, 2000, the City of Modesto filed a request for an NITU covering a 4.2 mile segment of the right-of-way from Milepost 26.43 to Milepost 30.63 (at Needham Street) (the "northern segment"). UP concurred with the City's trail use request by letter dated April 25, 2000, and, accordingly, the STB served a decision on May 15, 2000, issuing an NITU covering Milepost 26.43 to Milepost 30.63. The NITU was subsequently extended on three occasions by decisions served October 13, 2000; April 26, 2001; and October 31, 2001. The current negotiating period under the NITU is set to expire May 7, 2002.

Recently, while negotiating an interim trail use/rail banking agreement for conveyance of the northern segment to the City of Modesto under the Trails Act, a milepost error was discovered. The southern segment of the Line is located on a franchise granted by the City of Modesto to Union Pacific. It was the intent of the parties that only the northern segment was suitable for a trail use and it was this segment that the parties were in agreement upon for a trail use condition. It was

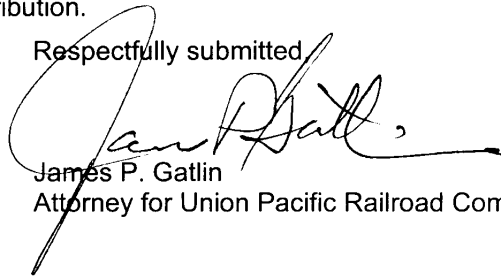
Mr. Vernon A. Williams, Secretary  
Surface Transportation Board  
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thought that the northern segment ran from Needham Street northward, and it was also believed that Needham Street was approximately Milepost 30.63. It has since been determined that the northern segment actually begins at Ninth and "P" Streets, where the City franchise ends, and runs northward to Milepost 26.43, the northern terminus of the northern segment. It was also determined that the milepost used for Needham Street in the initial trail request was also an error--Needham Street is actually at Milepost 30.30, rather than Milepost 30.63. Nevertheless, it has been determined that the actual point where Union Pacific ownership begins is at Ninth and "P" Streets, which is Milepost 30.35. Therefore, the parties agree that the northern segment subject to the NITU should be from Milepost 26.43 to Milepost 30.35 (at Ninth and "P" Streets), a distance of 3.92 miles (rather than 4.2 miles). (A sketch is attached to this letter depicting the Line with pertinent mileposts indicated thereon.)

It is therefore requested that the request of the City of Modesto to extend the trail use negotiating period for an additional 180 days be granted, and it is also requested that the NITU be amended to reflect the correct mileposts as set forth above. Such an extension will allow the parties to complete the agreement for conveyance of the Union Pacific right-of-way to the City of Modesto under the Trails Act.

It is further requested that this action be completed by May 7, 2002 to avoid expiration of the NITU currently in existence. Ten (10) additional copies of this letter are enclosed for the Board's use and distribution.

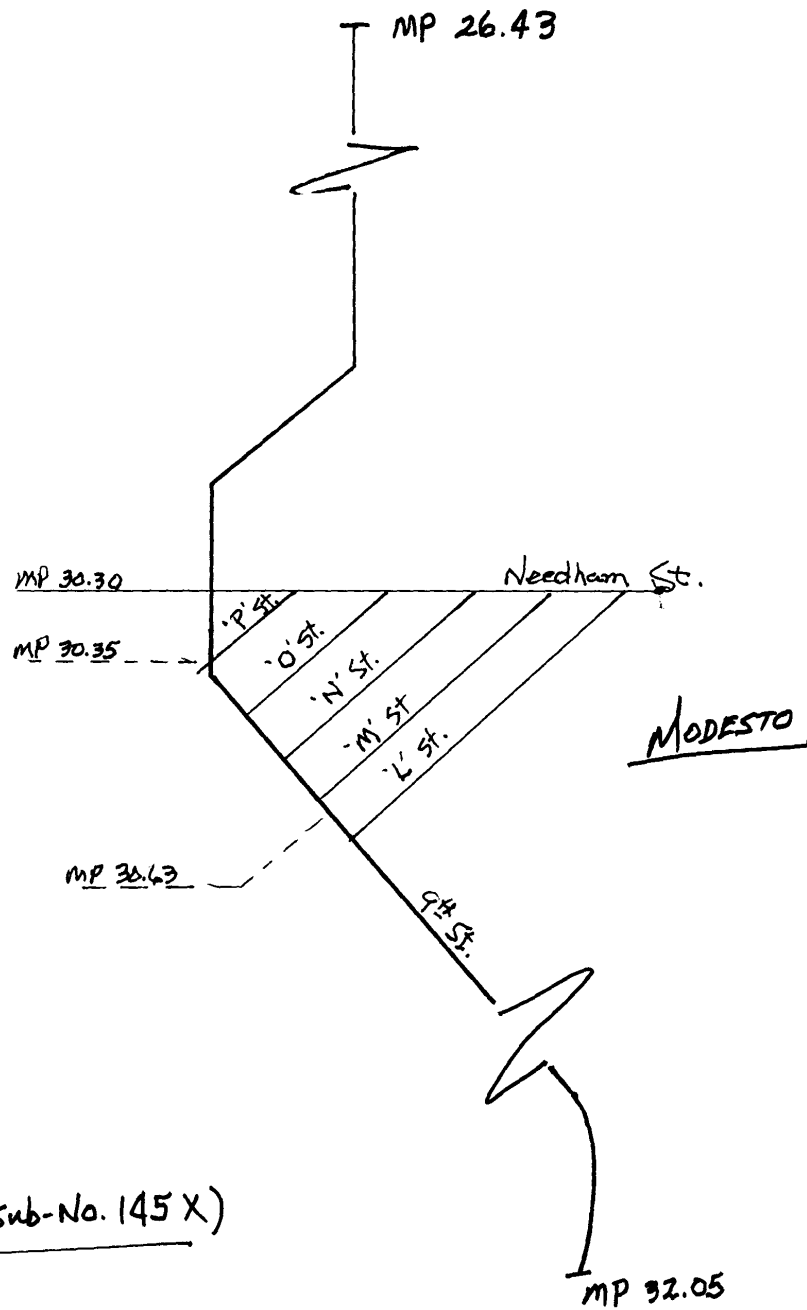
Respectfully submitted



James P. Gatlin  
Attorney for Union Pacific Railroad Company

cc: Ms. Jana Coons  
Charles Montange, Esq.  
Mack H. Shumate, Jr., Esq.

JPG/rg



AB-33 (Sub-No. 145 X)

SKETCH BY  
James P. Gatlin  
4-18-02  
Not to Scale